

SELECTING A CONSULTANT TO ASSIST WITH YOUR BUSINESS START-UP

As entrepreneurs make the decision to start a new business or expand an existing business, they may employ the services of experienced professionals to develop a comprehensive business plan. The following information is designed to help you assess your needs and evaluate key issues prior to hiring a professional business-planning consultant.

PRIOR TO SELECTING A CONSULTANT

- Have you clearly defined your business goals and objectives?
- Have you determined what type of relationship you want with your consultant (long term vs. short term) and which of the following types of assistance you would like your consultant to provide for you while preparing the comprehensive business plan?
 - ✓ Reviewing your goals and offering suggestions on them.
 - ✓ Identifying options or alternatives appropriate to your situation.
 - ✓ Identifying public and private financial resources that will be necessary to implement the business.
 - ✓ Locating vendors of products and/or services that are needed for the business.
 - ✓ Continuing to provide assistance during the initial years of operation.

SELECTING A CONSULTANT

Some of the factors to consider in selecting a business-planning consultant are:

- Does the consultant have special professional credentials, education and/or affiliations?
- Does the consultant have a sufficient number of years of experience?
- Has the consultant been involved with businesses that are similar to yours?
- Can the consultant communicate with you in a clear manner?

Ask the consultant to provide you with copies of previous work for businesses that are similar to yours and assess the following:

- Does the work appear professional?
- Is the work well organized?
- Is the work thorough?
- Is the work understandable?

Additional questions to ask regarding support/resources of the consultant:

- Will you be working with the consultant directly or an associate?
- Is adequate support staff available for the volume of work that is being completed?
- How will the consultant be available - phone, fax, e-mail, etc?
- Will the consultant meet with you often enough to fully understand your business, values and goals?

The consultant should provide you with references that can answer the following questions:

- Was the work recently completed?
- Was the project similar to yours?
- Were the references satisfied with the work completed?
- Did the consultant provide the product and/or service that were agreed upon?
- Was the work completed in a timely manner?
- Were the services provided helpful to the success of the business?
- Would the reference hire this consultant again or recommend the consultant to others?

A consultant's fees should be clearly understood and the payment process determined prior to beginning the business plan. Some questions to ask are:

- Is the consultant's fee comparable to those charged by other consultants for the same product and/or service?
- Does the consultant provide an itemized fee schedule?
- Is the consultant willing to negotiate fees?
- Is there a clear understanding of the timing of payments?

Call around and meet with several consultants and don't be afraid to ask questions. Talk to the person with whom you'll be working with, not to a marketing or sales person. Some specific questions to ask include:

- What kind of training, experience, education or certification do you have?
- Have you helped businesses similar to mine in the past? How many? How long ago? How successful were they?
- Have you helped other businesses in this geographic area?
- May I have a list of references from you?
- What are your contract terms and provisions?
- How are your fees negotiated?
- How long will it take you to complete this work?
- Will you do a site visit of my existing business?
- How many meetings will you require?
- What type of guarantee will you give me to ensure that your services will be timely and accurate?
- Do you have professional liability insurance? Who is the insurer?
- How much will this project cost me?
- How much of my time will you require?
- What responsibilities will be required of me?
- Who will be assigned to my project and what are his or her credentials?